

# SENATE MOTION

**MR. PRESIDENT:**

**I move** that Senate Bill 459 be amended to read as follows:

- 1 Delete everything after the enacting clause and insert the
- 2 following:
- 3 "SECTION 1. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 1999 (RETROACTIVE)]:
- 6 **Chapter 20. Credit for Property Taxes Paid on Inventory**
- 7 **Sec. 1. As used in this chapter, "assessed value" means the**
- 8 **assessed value of inventory determined under IC 6-1.1-3.**
- 9 **Sec. 2. As used in this chapter, "inventory" has the meaning**
- 10 **set forth in IC 6-1.1-3-11.**
- 11 **Sec. 3. As used in this chapter, "pass through entity" means:**
- 12 **(1) a corporation that is exempt from the adjusted gross**
- 13 **income tax under IC 6-3-2-2.8(2);**
- 14 **(2) a partnership;**
- 15 **(3) a limited liability company; or**
- 16 **(4) a limited liability partnership.**
- 17 **Sec. 4. As used in this chapter, "state tax liability" means a**
- 18 **taxpayer's total tax liability that is incurred under:**
- 19 **(1) IC 6-2.1 (gross income tax);**
- 20 **(2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);**
- 21 **(3) IC 6-3-8 (supplemental net income tax);**
- 22 **(4) IC 6-5.5 (financial institutions tax); and**
- 23 **(5) IC 27-1-18-2 (insurance premiums tax);**
- 24 **as computed after the application of the credits that under IC**
- 25 **6-3.1-1-2 are to be applied before the credit provided by this**
- 26 **chapter.**
- 27 **Sec. 5. As used in this chapter, "taxpayer" means an individual**
- 28 **or entity that has state tax liability.**
- 29 **Sec. 6. (a) A taxpayer is entitled to a credit against the**
- 30 **taxpayer's state tax liability for a taxable year for the ad valorem**
- 31 **property taxes paid by the taxpayer in the taxable year on**
- 32 **inventory.**

- 1           (b) The amount of the credit is equal to the lesser of:
- 2           (1) the ad valorem property taxes paid on inventory in the
- 3           taxable year; or
- 4           (2) an amount equal to the ad valorem property taxes paid in
- 5           the taxable year on fifty thousand dollars (\$50,000) of
- 6           assessed value for inventory identified by the taxpayer.

7           Sec. 7. If the amount determined under section 6(b) of this

8           chapter for a taxpayer in a taxable year exceeds the taxpayer's

9           state tax liability for that taxable year, the taxpayer is entitled to

10          a refund of any unused credit or may carry the excess over to the

11          following taxable years. The amount of the credit carryover from

12          a taxable year shall be reduced to the extent that the carryover is

13          used by the taxpayer to obtain a credit under this chapter for any

14          subsequent taxable year. A taxpayer is not entitled to a carryback.

15          Sec. 8. If a pass through entity does not have state income tax

16          liability against which the tax credit may be applied, a shareholder

17          or partner of the pass through entity is entitled to a tax credit equal

18          to:

- 19           (1) the tax credit determined for the pass through entity for
- 20           the taxable year; multiplied by
- 21           (2) the percentage of the pass through entity's distributive
- 22           income to which the shareholder or partner is entitled.

23          Sec. 9. To receive the credit provided by this chapter, a

24          taxpayer must claim the credit on the taxpayer's state tax return

25          in the manner prescribed by the department. The taxpayer must

26          submit to the department proof of payment of an ad valorem

27          property tax and all information that the department determines

28          is necessary for the calculation of the credit provided by this

29          chapter.

30          Sec. 22. (a) The amount of tax credits allowed under this

31          chapter may not exceed fifty million (\$50,000,000) in a state fiscal

32          year.

33          (b) The amount of tax credits granted to an individual tax

34          payer under this chapter may not exceed \$5 million (\$5,000,000) in

35          a taxable year.

36          SECTION 2. [EFFECTIVE JANUARY 1, 2000] IC 6-3.1-20, as

37          added by this act, applies only to taxable years beginning after

38          December 31, 1999."

(Reference is to S.B. 459 as printed February 23, 1999.)

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Senator SIMPSON